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C O N F I D E N T I A L SECTION 01 OF 02 NAIROBI 004330

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SUBJECT: AMBASSADOR DISCUSSES LEGISLATIVE AGENDA AND OTHER ISSUES
WITH KENYA'S VICE PRESIDENT AWORI

REFS: A) Nairobi 4105, B) Nairobi 2951

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Classified by Ambassador Michael E. Ranneberger for reasons 1.4 (B)
and (D).

¶1. (C) Summary: Kenyan Vice President Moody Awori, who sets parliament's agenda as leader of the House Business Committee, assured the Ambassador that an anti-money laundering bill and plea bargaining legislation will be passed by this parliament. He also insisted that long pending appointments to independent commissions and other bodies will be made within ten days. Awori was expansive and friendly, responding well to the Ambassador's theme of a U.S.-Kenya partnership in support of shared objectives and democratic values. Most political observers predict that Awori will be dropped from the ticket should Kibaki run for a second term due to his perceived inability to deliver the votes of his Luhya community. End summary.

Context: VP Awori Leads Government Coalition in Parliament

¶2. (U) The October 3 courtesy call by the Ambassador on Vice President Arthur Moody Awori focused on the Government of Kenya's legislative agenda. Under Kenya's system of government, the Vice President sets parliament's legislative agenda as the leader of the House Business Committee.

Legislative Matters

¶3. (SBU) Awori made the following points concerning the legislative agenda:

-- Parliament will sit 23 days in October, 17 days in November and only 2 days in December.

-- Counter-terrorism legislation must take into account the views of Kenyans who feel their community is unfairly identified with terrorism (i.e. Muslims). We recognize that there are home-grown terrorists here. Our local interests and sensitivities must take priority as this bill is drafted. (Comment: The message is that there will be no counter-terrorism legislation anytime soon. End

Comment.)

-- The draft anti-money laundering bill is presently with the Attorney General for review. It will come to parliament within the next few months. (Awori cited this legislation when the Ambassador urged rapid action on this issue. See ref A for Attorney General Wako's comments on this topic.)

-- Plea bargaining legislation, for which the U.S. has provided technical assistance, is an element in a miscellaneous amendments bill already under consideration in the House. (Comment: This reform has the potential to reduce the caseload of the severely overburdened judiciary. End Comment.)

-- The HIV/AIDS bill will undergo its second reading on 5 October. (Comment: This bill has some negative aspects. Our PEPFAR and USAID offices are discussing key issues with the appropriate legislators. End Comment.)

-- Long-pending appointments to the East Africa Legislative Council, Kenya National Commission on Human Rights, Electoral Commission and other institutions will be made in a consultative, inter-party fashion within the next ten days. Awori attributed the delay to "Kenya's confused political situation," with some members of the official opposition party serving in the cabinet while some parties formerly in the governing coalition are now in opposition. This state of affairs complicates formal inter-party consultations.

Other Issues: Corruption, AGOA, Business Climate

14. (SBU) Awori addressed the following issues as well:

-- The Kibaki administration has performed well over its three and a half years in power. Yet, its achievements are not recognized. This government's expansion of democratic space and media freedom released pent up frustrations. We are suffering for the sins of the previous administration.

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-- This government has made important progress in the fight against corruption. The dramatic rise in revenue collection is clear evidence of success. The large scale corruption cases discussed in the press everyday are historical cases. There are few new cases. (Comment: The Anglo Leasing and Charterhouse scandals certainly qualify as large scale corruption and occurred under the present administration. In fact, Awori himself personally approved several of the suspect contracts. End Comment.)

-- We recognize that government alone cannot develop this country. We value a free press and a dynamic civil society. But freedom must be matched with responsibility. However, we will not impede the free press. (Comment: This was an indirect disavowal of Internal Security Minister Michuki's March 2006 raid on The Standard media house. End Comment.)

-- We greatly appreciate AGOA. It has grown our textile industry and created jobs. We need an extension of the third country fiber provision. We are taking measures to revive our cotton industry to complement the textile industry. However, your cotton subsidies are injurious to these efforts. We ask that you reconsider your agricultural subsidy policies.

-- The Trade Minister and I are very aware that investment is hampered by too much bureaucracy. Too many licenses are required and each license takes much too long to acquire. We are working to reduce these obstacles.

Comment

15. (C) Awori was expansive and friendly, responding well to the Ambassador's theme of a U.S.-Kenya partnership in support of shared

objectives and democratic values. Most political observers believe that Awori will not be retained in the VP slot should Kibaki run for a second term (as expected). Awori, charming and avuncular, is one of the government's more popular figures. He has supported key reforms of parliament (reftel). Yet he cannot deliver his politically fragmented and socially fractious Luhya community. Electoral calculations favor a VP candidate who can assure a sizeable ethnic block vote. Awori does not qualify.

Ranneberger